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ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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ILLINOIS COMMERCE COMMISSION)
On Its Own Motion)

-vs-)

Docket No. 01-0489

HIGHLAND SHORES WATER COMPANY)

Citation for failure to comply with)
Commission order)

PETITION FOR LEAVE TO INTERVENE AND
CONTINGENT REQUEST FOR DECLARATORY RULING

Pursuant to 220 ILCS 5/4-502 and 83 Ill. Adm. Code §200.200, Illinois-American Water Company ("Petitioner") by its attorneys, Sue A. Schultz and Mary G. Sullivan, respectfully petitions the Illinois Commerce Commission ("Commission") for Leave to Intervene in the above-entitled proceeding, and in support of this Petition states as follows:

1. Illinois-American is a corporation duly organized and existing under and by virtue of the laws of the State of Illinois and is a public utility within the meaning of the Act. Illinois-American has its principal office in Belleville, Illinois, and presently provides water and waste water utility service to approximately 304,230 customers (a population of approximately 938,400) in 124 communities in Illinois. The Company has four Divisions: the Chicago Metro Division, which includes the former Citizens Utilities Company of Illinois service areas; the Northern Division, which includes the Peoria, Pekin, and Lincoln operating Districts; the Southern Division, which includes the Interurban, Cairo and Alton operating Districts; and the

Eastern Division, which includes the Streator, Sterling, Pontiac, and Champaign Districts.

Petitioner is the largest investor-owned water utility in the State of Illinois.

2. Illinois-American is a subsidiary of American Water Works Company, Inc. ("AWW"), a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, with its principal office in Voorhees, New Jersey. AWW's subsidiaries provide water utility service to more than 10 million people in 23 states. AWW is the largest investor-owned water utility holding company in the United States. The common stock of American is publicly traded on the New York Stock Exchange, though RWE, an international utility holding company, has offered to purchase all of such stock, subject to all required regulatory approvals. A separate docket is presently pending before this Commission in that regard.

3. Pursuant to an affiliated interest agreement ("Services Agreement") approved by the Commission in Docket 88-0303, Illinois-American receives administrative, engineering, financial, human resources, certain management, information systems, risk management, water quality, and other services from American Water Works Service Company, a wholly-owned subsidiary of AWW.

4. Based on the preceding, Petitioner has the managerial expertise to operate the water system at issue in this docket.

5. Petitioner's total assets, as of December 31, 2001, were \$414,200,000 and its net income, after taxes, during 2001 was \$13,800,000. Petitioner, therefore, has the financial ability to acquire (assuming a reasonable price may be reached), and operate the water utility system at issue in this docket.

6. Petitioner is ready, willing, and able to acquire and operate the water utility at issue herein, subject to negotiation of a reasonable purchase price or a ruling by this Commission that the price to be paid through eminent domain will be allowed in the Petitioner's rate base.

7. To the extent a reasonable price is not negotiated with the owner of the system, and the Commission determines to authorize the Petitioner to use its power of eminent domain to acquire the system, Petitioner respectfully requests the Commission to enter a declaratory ruling, pursuant to 83 Ill. Adm. Code 200.220, which declares that the price established by the court having jurisdiction over such eminent domain proceeding shall be considered the system's original cost to the Petitioner and shall be includable in rate base pursuant to 220 ILCS 5/9-210. Without such a ruling, the Petitioner's exposure is unlimited, which would not be fair to the Petitioner. Should the Commission not so rule, the Company would request to be released from the proceeding.

8. The name, address and telephone number of the Petitioner are as follows:

Illinois-American Water Company
300 N. Water Works Dr.
P. O. Box 24040
Belleville, IL 62223-9040
Telephone: (618) 236-1180

Service should be on Petitioner's attorney listed herein.

9. In compliance with Part 200.100(a) of the Commission's Rules of Practice, Petitioner states that it agrees to accept service by electronic means as provided in Part 200.1050.

10. Petitioner may be affected by any orders entered by the Commission in this proceeding, and Petitioner is interested in this proceeding.

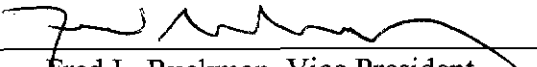
11. Petitioner's interests are not adequately represented by any other party to this proceeding.

WHEREFORE, Petitioner prays that the Commission grant it Leave to Intervene and be treated as a party to this proceeding.

DATED this 26th day of April, 2002.

Respectfully submitted,

ILLINOIS-AMERICAN WATER COMPANY

By: 
Fred L. Ruckman, Vice President

Attorneys for Petitioner:

Sue A. Schultz, General Counsel

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(618) 239-2225

Mary G. Sullivan, Associate Counsel

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(618) 239-2230

300 North Water Works Drive

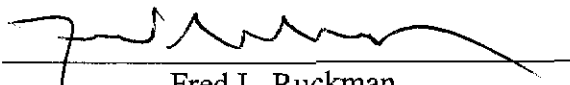
P. O. Box 24040

Belleville, IL 62223-9040

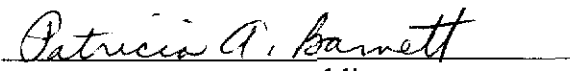
STATE OF ILLINOIS)
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COUNTY OF ST. CLAIR)

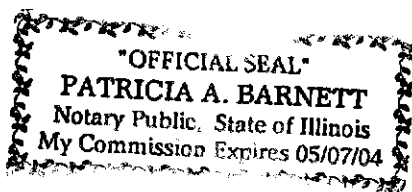
VERIFICATION

I, Fred L. Ruckman, being first duly sworn on oath, depose and say that I am a Vice President of Illinois-American Water Company, an Illinois corporation; that I have read the above and foregoing Petition for Leave to Intervene by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and, as to those, I believe same to be true.


Fred L. Ruckman

Subscribed and sworn to before me this 26th day of April, 2002.


Notary Public



STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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CERTIFICATE OF MAILING

I, Sue A. Schultz, do hereby certify that a copy of the attached Petition for Leave to Intervene has been served upon each of the following, via United States Mail, first class postage prepaid, this 26th day of April, 2002:

Thomas P. Matthews
Crystal Clear Water Company
7314 Hancock Drive
P. O. Box 189
Wonder Lake, IL 60097

Roy King
Illinois Commerce Commission
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Springfield, IL 62706

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Erin O'Connell-Diaz
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Illinois Commerce Commission
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Lindenbaum Coffman Kurlander
& Brisky, Ltd.
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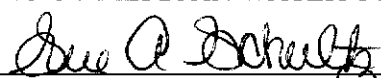
James E. Weging
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Donna Caton, Chief Clerk
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Mark L. Goldstein, P.C.
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Northbrook, IL 60062

Respectfully submitted,

ILLINOIS-AMERICAN WATER COMPANY

By 
Sue A. Schultz, General Counsel

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